Wealth Markets and Commerce

Finance - Economics

WALL STREET OFFICE: Mills Building, 15 Wall St. — Telephone Hanover 6514

It is now generally conceded that the interest rate will have little or no effect upon the success of the next Liberty Loan campaign. Bankers are for the most part agreed that any amount likely to be offered will be oversubscribed even if the present rate of 4¼ per cent is maintained. But many of them are convinced that the discount at which the bonds are selling when the fourth campaign opens seven weeks hence will have an important bearing on the success of the issue. It will probably be much easier to place the bonds with the outstanding issues selling at or close to par than with the heavy discounts which now prevail. And there is a very general belief among financial leaders that the price of the bonds cannot be lifted materially and stabilized at a high level through the operation of the sinking fund plan. Whether or not that plan has been utilized to sustain the price thus far is not known; it seems more likely that utilization of it on an important scale has been deferred on the theory that it can be most effectively employed just prior to the flotation of the next issue. But in any event it is likely to meet with only temporary success, and there is, therefore, every reason why the recommendations of bankers for the adoption of the Canadian plan for stabilizing Victory bonds should be seriously considered by the Secretary of the Treasury.

It will be recalled that under the Canadian method the bonds are not listed on the stock exchanges, but all transactions are made through a committee formed for that purpose, and that brokers receive a commission on transactions only in cases where they find buyers, the one producing a seller getting nothing at all. There is at all times a ready market for those who find it necessary to sell, though large sellers have to take a slight discount—slight, that is, compared with the loss that would be entailed through selling in an open market. Through the operation of this system the Dominion has maintained its bonds above the issue price—the only war bonds of any nation of which that can be said. It is certainly worth a trial here, and petty objections to brokers making a commission out of sales should not prevent a favorable reception for the plan if the authorities can be convinced that it is workable, as bankers believe it is.

The cotton prospect having decreased materially in the last month, we shall, no doubt, presently hear that the Southern interests who have been insisting that the price be fixed and that the government buy all surplus cotton have experienced another change of mind, and are bitterly denouncing those who would rob the South by such outrageous interference with the law of supply and demand as would be involved in price fixing for the politically sacred commodity.

The railroads are leaning heavily upon the banks for the funds to meet current financial requirements, but some banks at least are becoming more and more reluctant to advance them money, and for good reason. Railroad balances have been drawn down until in many cases they are almost nonexistent. One bank which had tens of millions of dollars of such balances the first of the year has practically none now. The situation is well illustrated by the recent experience of a large local institution, which was asked to make a loan of some millions to a certain road—and did it—on the same day that the road closed its account. Bankers say it is unfair thus to reduce balances and at the same time expect them to make unlimited advances to the carriers when they can employ their funds much more profitably in other directions. Their complaint would appear to be well founded.

Money and Credit

Slightly easier conditions prevailed in the money market yesterday. At the Stock Exchange the ruling rates were 5½ to 6 per cent. Toward the close call money loaned at 4 to 4½ per cent.

There was no change in the market for fixed date funds, the banks continuing to restrict their offerings.

Ruling rates for money yesterday, compared with a year ago, were as follows:

	Yesterday. Per cent.	Year ago. Per cent.
Call money:		
On mixed collateral	5½	3
On industrial col't'l	6	3½
Time money (mixed collateral):		
Sixty days	6	4½
Ninety days	6	4½@4¾
Four months	6	4½@4¾
Five to six months	6	4¾@5½

Commercial Paper.—A small amount of discounting is being done on a 6 per cent basis for the best regular maturities.

Bank Acceptances.—Rates were unchanged yesterday, as follows:

Spot delivery:	Thirty days. Per cent.	Sixty days. Per cent.	Ninety days. Per cent.
Eligible member banks	4⅛@4	4⅛@4¼	4⅛@4¼
Eligible non-member banks	4¼@4⅛	4⅜@4⅛	4⅜@4⅛
Ineligible bank bills	5¼@4¾	5¼@4¾	5¼@4¾

For delivery within thirty days:

	Per cent.
Eligible member banks	4½
Eligible non-member banks	4⅝
Ineligible bank bills	6

Discount Rates.—The following table gives the current rates of the twelve Federal Reserve banks on commercial paper on all periods up to ninety days:

	Maturity: Within 15 days, including member banks' collateral notes	16 to 60 days, inclusive	61 to 90 days, inclusive
Boston	4	4¾	4¾
New York	4	4¾	4¾
Philadelphia	4	4¾	4¾
Cleveland	4¼	4¾	4¾
Richmond	4¾	5	5
Atlanta	4	4¾	4¾
Chicago	4	4¾	5
St. Louis	4	4¾	4¾
Minneapolis	4	4¾	5
Kansas City	4½	5¼	5¼
Dallas	4	4¾	5
San Francisco	4	4¾	4¾

Bank Clearings.—Bank clearings in New York yesterday were as follows:

	Exchanges.	Balances.
New York	$603,302,284	$48,618,689
Boston	53,161,515	13,726,189
Chicago	87,464,401	7,806,934
Philadelphia	603,302,284	48,618,689

Sub-Treasury.—The banks lost $187,000 to the Sub-Treasury yesterday.

Silver.—Bar silver in London was 48 11/16d. unchanged; New York, 99⅝c, unchanged; Mexican dollars, 77c, unchanged.

Bank of England.—LONDON, Aug. 1.—The weekly statement of the Bank of England disclosed an increase in gold of £121,514. The proportion of reserves to liabilities now stands at 16.37 per cent, against 17.41 per cent a week ago. The statement, with the changes from last week, follows:

Gold	£67,256,200	Inc.	£121,514
Reserve	29,254,000	Dec.	1,006,000
Notes res.	28,333,000	Dec.	1,054,000
Circulation	54,510,000	Inc.	1,127,000
Public dep.	37,097,000	Inc.	3,114,000
Other dep.	137,562,000	Inc.	1,742,000
Gov. sec'r't's	58,796,000	Inc.	2,538,000
Other sec.	108,615,000	Inc.	3,467,000

London Money Rates.—LONDON, Aug. 1.—Money was unchanged at 3 per cent. Discount rates were: Short bills and three-month bills, 3 17-32 per cent. Gold premiums at Lisbon remained at 130.

Bank of France.—PARIS, Aug. 1.—The weekly statement of the Bank of France shows the following changes in francs:

		Increase.
Gold	5,432,361,000	957,000
Silver	281,664,000	9,129,000
Circulation	28,586,773,000	172,582,000
Gen. dep.	3,339,010,000	*143,240,000
Bills dis.	1,040,913,000	*19,129,000

*Decrease.

The Dollar in Foreign Exchange

The continued weakness of pesetas was the dominant feature yesterday in the foreign exchange market. Dealers in exchange associated the decline with the visit of Messrs. Davis and Crosby to Spain to stabilize the dollar there. Although the movement of rates did not depend on anything they have done already in the matter of arranging credits, as it is expected they will, the market has begun to discount the effects of their efforts. Lire bills were slightly stronger yesterday, but the rest of the rates remained steady. The volume of business done was relatively small.

Closing rates yesterday, compared with a week ago, follow:

(Quoted dollars to the pound.)	Yesterday.	Week ago.
Sterling, demand	$4.7535	$4.7535
Sterling, sixty days	4.72⅝	4.72⅝
Sterling, cables	4.7645	4.7645
Sterling, ninety days	4.71½	4.71½
(Quoted units to the dollar.)		
Francs, checks	5.71⅛	5.71⅛
Francs, cables	5.69⅝	5.69 11/16
Lire, cables	7.99	8.49
Lire, checks	8.00	8.50
Swiss, checks	3.95	3.95¼
Swiss, cables	3.92¾	3.92
(Quoted cents to the unit.)		
Guilders, checks	.51¾	.51¾
Guilders, cables	.52	.52
Rubles, cables	13.00	13.00
Spain, checks	26.50	27.80
Spain, cables	26.60	27.90
Sweden, checks	35.70	35.80
Sweden, cables	35.85	35.95
Denmark, checks	31.35	31.35
Denmark, cables	31.50	31.50
Norway, checks	31.50	31.60
Norway, cables	31.65	31.75
Argentina, checks	.4440	.4440
Argentina, cables	.4450	.4445
India, rupees, checks	.37¼	37.55
India, rupees, cables	.37½	37.75
India rupees, cables Reserve Bank rate	35.73	35.73

Below is given the current exchange value of foreign money in dollars and cents, together with the intrinsic gold parity, as calculated by the United States Mint:

	Current exchange value.	Intrinsic value.
Pounds, sterling	$4.7535	$4.86⅝
Francs	0.17.4	0.19.3
Guilders	0.51¾	0.40.2
Rubles	0.13.00	0.51.2
Lire, checks	0.11.37	0.19.3
Crowns (Denmark)	0.31.05	0.26.8
Crowns (Sweden)	0.35.70	0.26.8

The above rates express the cost of foreign money in terms of the American dollar. You buy an English pound sterling at, say, $4.7535. The intrinsic parity is $4.86⅝ per pound. Thus you say either that pounds are at a discount or that dollars are at a premium, which is owing to the fact that in England the demand for dollars with which to settle accounts in this country is greater than the demand in this country for pounds with which to settle accounts in England.

Certificates Bought By Two-Thirds of N. Y. District Banks

Subscriptions Totalled $211,714,000, Exceeding Quota by 25 Per Cent

Of the 1,221 banking institutions in the Federal Reserve District of New York 808 were subscribers to the offering of $500,000,000 of 4½ per cent Treasury certificates of indebtedness closed July 30, the third of the new series being issued in anticipation of the Fourth Liberty Loan. Total subscriptions for this district aggregated $211,714,000, or more than 125 per cent of the allotted minimum quota of $169,333,000.

Figures compiled by the Federal Reserve Bank of New York show that 577 out of a total of 927 of national banks, state banks, trust companies and savings banks in New York State subscribed to the last certificates issue. Of the 240 institutions in the twelve northern counties of New Jersey belonging to this reserve district 184 were subscribers. Twenty institutions out of forty-four in Fairfield County, Connecticut, entered subscriptions.

Of the seventy-four counties in New York and New Jersey comprising this district twenty-eight have equalled or exceeded their quota in the issue on which subscriptions closed Tuesday. The table showing the counties and the per cent of quota subscribed by them follows:

County	Per Cent of Quota Subscribed
Montgomery	203
Richmond	187
Ulster	187
Greene	171
Schenectady	166
Broome	164
Lewis	163
Renssalaer	159
Sullivan	146
Clinton	145
Queens	144
New York	140
Suffolk	140
Essex	139
Orange	138
Kings	137
Chenango	129
Morris	127
Rockland	120
Herkimer	119
Oswego	115
Chemung	114
Middlesex	112
Hudson	109
Westchester	106
Jefferson	102
Erie	101
Otsego	101

Banks in this district have taken in all $797,778,000 of the last three issues of certificates of indebtedness, whereas the aggregate quota of the district was only $724,333,000. The following table shows what the district has done with the three issues, of which the first two were for an aggregate of $750,000,000 and the last for $500,000,000:

Issue	Subscriptions	Number of Subscribers
1	$312,844,500	683
2	273,219,500	861
3	211,714,000	808

Nation's Oversubscription In Excess of $84,000,000

WASHINGTON, Aug. 1.—The $500,000,000 block of certificates of indebtedness, subscriptions to which closed two days ago, was oversubscribed $84,750,000, making the total of certificates now outstanding in anticipation of the fourth Liberty Loan $2,183,835,000. All Federal Reserve districts except Richmond, Atlanta, Minneapolis and Dallas oversubscribed their tentative quotas. Another issue of certificates will be announced by the Treasury within a day or two.

Three Billions Total Of Nation's Imports

WASHINGTON, Aug. 1.—Imports in the fiscal year ended June 30 last were $2,946,059,402, an increase of $287,000,000 over the previous year, figures issued to-day by the Department of Commerce show. Canada, with $434,254,567, led foreign countries in the value of goods sold to the United States. Grain and nickel constituted the bulk of the trade. Imports from Cuba increased more than $9,000,000, while those from the British East Indies increased $70,000,000 to $296,606,000, largely due to heavy shipments of tin and jute. Japan also increased its shipments, particularly silks, rice and cotton goods.

Imports from European Russia showed an increase of almost $10,000,000, totalling $15,146,826, as the result of large quantities of hides and platinum being brought out early in the year. Imports from the United Kingdom, France, Italy and European neutrals decreased. England lost more than $100,000,000, France $33,000,000 and Italy $16,000,000.

Foreign Exchange Dealers to Form An Organization

Importance of Post-War Dollar Transactions Will Warrant Informal Society

The formation of an association of men who deal in foreign exchange here was proposed yesterday afternoon at a conference at the Empire Trust Company of forty managers and assistant managers of the foreign departments of the principal local banks. The suggestion seemed to meet with warm approval, and a committee was appointed to devise a plan which will be submitted at another conference soon to be held.

Advocates of the creation of an organization which would lead to a freer interchange of ideas pointed out that since the war the growth of the New York market in foreign exchange had been so rapid and so many new problems had arisen that new instruments for meeting the changed conditions were needed. Particularly during the war, it was said, was there need of coöperation among dealers of foreign exchange, so that the efforts of the government to stabilize rates could be wholeheartedly supported. Then, too, it was said that after the war America's part in foreign trade was likely to be such that dollar exchange would attain an unprecedented importance, and larger responsibilities would devolve upon those who dealt in exchange.

Those who attended the meeting said the tentative plan was to form an informal society, which would enable foreign exchange men to meet regularly and discuss problems of mutual interest. The actual scope of the proposed association was not sketched in detail, but was left for the committee to determine.

Another matter discussed at the gathering was the question of voluntarily fixing a uniform profit on lire exchange. A committee which was appointed some weeks ago in its report recommended that a profit of from 10 to 11 centimes be allowed, it is understood, but this was considered too high and the matter was referred back to the committee, to which six new members were appointed.

The idea of regulating the profit on lire exchange arose when rates on Italy were fluctuating violently before the present plan of stabilization was introduced. Despite the activity of the Federal Reserve Board and Italian authorities to curb the fluctuations and to reduce the discount of the lire, the exchange men present agreed that it was still desirable to decide on a uniform profit. It is expected that the committee will render its second report on this subject at the same time the committee on the proposed association is ready to present its findings.

Decides for Aetna Co. In Guaranty Suit

Master Lacombe Reports Explosives Concern Does Not Owe Bond Interest

Ex-Judge E. Henry Lacombe, as special master, filed yesterday in the Federal District Court a report and decision that the claim of the Guaranty Trust Company that it is owed as trustee $4,541,000 by the Aetna Explosives Company, Inc., has no legal effect and must be disallowed. The trust company claims the mentioned amount as being due on bonds outstanding because of default in the payment of interest due on August 25, 1917, under the terms of a mortgage.

The special master says that the default did not continue for six months after written notice, and that all interest and taxes have been promptly paid. It is also stated that as the Aetna Company was engaged in the manufacture of explosives for this country's allies, it was to public interest that its products should be made and forwarded quickly, but that delay might be caused unless the defendant's property was temporarily protected from disintegration through attachments, executors, etc.

Stating that Receivers Holt and Odell rejected offers of the Dupont interests to buy some of the Aetna Company's plants, because such a sale would dislocate its entire business, the special master says there is nothing to indicate that the court contemplates winding up or liquidating its affairs.

In the Federal District Court yesterday Judge Augustus N. Hand authorized the receivers to execute contracts for the sale to the United States of 7,000,000 pounds of nitrate of ammonia and for the sale of 12,000,000 pounds of wet picric acid to the French government at prices which will yield reasonable profit.

Stock Exchange Seat Sold

The New York Stock Exchange seat of the late Thomas L. Manson was sold yesterday to Harry G. Seeligson for $53,000. This was the same price as that of the last sale. The membership of Monroe R. Rothschild was transferred to Jesse A. Rothschild.

Significant Relations

Money and Prices:			
Stock of money gold in the country	Now $3,076,482,515		A year ago $3,090,607,703
Loans of all national banks	May 10, 1918, $9,260,041,000		Nearest period previous year $8,751,679,000
Their surplus reserves	114,668,000		973,981,000
Bills discounted and bought by Federal Reserve Banks	Last week $1,302,151,000		A year ago $333,556,000
Federal Reserve notes in circulation	1,870,835,000		534,015,000
Total gold reserve	1,974,200,000		1,362,263,000
Average price of fifty stocks	Yesterday 77.22	The day before 77.73	A year ago 87.06
Average price of twenty-five bonds	84.33	84.33	91.11
Food cost of living (Annalist index number)	Last week 286.655	The week before 285.474	A year ago 261.383
General commodity price level (Dun's index number)	July 1 232.575	June 1 224.843	A year ago 211.950
Production:			
Unfilled U. S. Steel orders, tons	June 30 8,918,866	May 31 8,337,623	A year ago 11,383,287
Pig iron (daily average), tons	June 110,793	May 111,175	A year ago 109,002
Wheat crop, bushels	1918 yield, estimated 891,000,000		The 1917 crop 650,828,000
Oat crop, bushels	1,437,000,000		1,587,286,000
Cotton, bales	13,619,000		11,300,254
Distribution:	Increase or decrease from year before		
Gross railroad earnings	11 roads Second week in July +29.7%	123 roads Month of May +10.2%	Jan. 1 to May 31 +9.0%
Bank clearings	Last week +18.1%	Week before +7.7%	Year to date +5.2%
General:			
Active cotton spindles	June 33,720,413	May 33,720,555	A year ago 33,447,037
Commercial failures (Dun's): Number	July 786	June 804	A year ago 1,137
Liabilities	$9,789,572	$10,606,741	$17,240,424
Building permits (Bradstreet's): (137 cities)	June, 1918, $38,837,542		June, 1917 $53,853,817

Cotton Forecast Is 1,706,000 Bales Less Than July Estimate

Drouth Damaged Crop and Yield Now Figured 73.6 Per Cent of Normal

WASHINGTON, Aug. 1.—Drouth played havoc with the growing cotton crop during July, damaging the plant to such an extent that the Department of Agriculture's August forecast of production, issued to-day, showed a reduction of 1,706,000 bales from the estimate made a month ago. The monetary loss is conservatively estimated at approximately $250,000,000.

This year's crop, as estimated from a condition of 73.6 on July 25, was forecast at 13,619,000 equivalent 500-pound bales, which would be slightly larger than the average crop of the five years 1912-'16, and about 2,300,000 bales larger than last year's crop. A crop of that size at present prices would be worth more than $2,000,000,000.

Last month the condition of cotton was 85.8 per cent of normal and a 15,325,000 bale production was forecast. The crop last year amounted to 11,300,254 bales, and the average for the five years 1912-'16 was 13,327,000 bales. The condition of the crop on July 25 last year was 70.3 per cent of the normal, the previous year 72.3 and the ten-year average on that date 77. The area planted to cotton this year is the second largest on record, or 37,073,000 acres.

Drouth Did Much Damage

The crop in Louisiana also suffered greatly from drouth, the condition showing a decline of 22 points in the month, while in Texas the decline was 23 points. In Oklahoma there was a decline of 15 points and in Arkansas 16 points. The average decline from June 25 to July 25 in these states is from 1 to 3 points.

For the entire cotton belt the decline in the condition of the crop was 12.2 per cent, compared with an average decline of 2.8 per cent.

The Department of Agriculture also announced that the area planted to sea island and Egyptian cotton is about 356,000 acres, of which 276,000 acres are sea island and 80,000 Egyptian. This compares with 352,000 in 1917. There is a heavy decrease in the acreage in the older sea island sections in Georgia and Florida, where the boll weevil is very active, and a corresponding increase in the Egyptian acreage in Arizona and California. The production is forecast at 110,000 running bales, of which 65,000 bales are sea island and 45,000 bales Egyptian, as against a total production of 106,000 running bales in 1917.

Sea Island Production Prospects

The acreage and production forecast of sea island by states follows: Georgia, 129,000 acres, 34,000 bales; Florida, 125,000 acres, 23,000 bales; South Carolina, 22,000 acres, 8,000 bales. The acreage production forecast of Egyptian by states follows: Arizona, 75,000 acres, 42,000 bales; California, 5,000 acres, 3,000 bales.

Comparison of conditions in the fifteen cotton growing states on July 25 for this year and the three preceding years is as follows:

	1918	1917	1916	1915
Virginia	75	75	87	79
North Carolina	87	65	70	78
South Carolina	80	74	65	72
Georgia	77	69	68	76
Florida	70	80	62	73
Alabama	78	65	54	71
Mississippi	81	73	65	76
Louisiana	65	74	77	75
Texas	61	68	78	76
Arkansas	77	71	85	80
Tennessee	86	71	82	85
Missouri	93	78	80	83
Oklahoma	75	77	84	69
California	95	94	100	96
Arizona	95	88	—	—
Total, U. S.	73.6	70.3	72.3	75.4

Cotton Prices Soar As Excited Brokers Resort to Covering

Traders in the New York Cotton Exchange were genuinely surprised by the government cotton crop report, which indicated a large depreciation in the forthcoming crop during the last month, and as a result the price on the Southern staple advanced approximately $5 a bale above the previous night's close. Even the most pessimistic private reports had indicated a larger yield than the government estimate, and the average guess of sixty members of the exchange was that the production would be 77.4 per cent of normal, whereas the figure announced in Washington was 73.6.

When the news of the government estimate reached the ring at 11 o'clock yesterday morning there was great excitement and prices began to soar until October had reached 25.97 and December 25.40, or 105 to 112 points above the lowest levels at the opening of the day's trading. The buying, which came in large force, was from all sources, and the covering by shorts helped to push prices upward.

Observers of the general cotton situation pointed out that the rise in the price of cotton and the indications that the carry-over after the next crop would not be nearly as large as expected would probably lead the growers to give up their advocacy of price stabilization. Moreover, it was said that the Southern interests might promptly withdraw their plan for the creation of a government corporation to buy all the surplus cotton at a price to be fixed by the President and express a willingness to hold another conference with the spinners and Northern bankers to work out a compromise plan for financing the forthcoming crops. The prospects of a radical decline in the price of cotton diminished when the government estimate was published, and this fact made cotton men think that the demand for price stabilization on the part of the growers who are interested in keeping the price up would rapidly weaken.

Drouth and Heat Cause Decline

The drouth and high temperature, particularly in Texas, Louisiana and Oklahoma, were given by members of the exchange as reasons for the depreciation of the growing crop. Moreover, it was pointed out that generally the deterioration is greater in August and September than in July, so still more significant contractions of the government estimates are anticipated. By the third week in August the Gulf hurricanes usually begin to threaten the crop, and early frost in September often proves troublesome. Although the government estimate of the surplus of the forthcoming crop last month was 5,500,000 bales, cotton men said yesterday that it would probably not be greater than that of the season just ended, which yielded a carry-over, it is said, of some 3,000,000 tons.

A restraining force in the market, however, will be the facts that the ability of the spinners to consume cotton is no greater than it was before the new crop report was published and the tonnage available is the same. These two facts, cotton men believe, make the problem of creating new devices to finance the crop remain pressing.

Market Unsettled Before Report

At the opening of the market yesterday there was a decline of 2 to 13 points because of a few showers in Texas and unfavorable cables. Prior to the report the market was unsettled, but after the figures were issued the tendency was steadily upward until late afternoon, when realizing due to reports of rain in the Houston district caused a slight setback, part of which was regained before the close. The forecast indicated clear and warmer weather again in the Southwest, where temperatures yesterday had moderated some, and there was more rain predicted for the Eastern belt, where it has been claimed by those who expect a further price advance that too much has already fallen. Southern spots as officially reported were all unchanged with the exception of Houston, which advanced 40 points. There were no exports yesterday. Final prices for futures in the local market were 63 to 81 points higher.

The closing prices were:

	Yest'day's close.	Previous close.	Year ago.
Cash	29.70	29.10	25.65
Contract:			
August	25.71	25.08	25.30
October	25.81	25.00	24.69
December	25.18	24.43	24.42
January	25.00	24.28	24.36
March	24.90	24.21	24.50

Relevant Comment

July Incorporations

During the month of July 751 new stock companies were incorporated in New York State, they having a total capital of $55,378,000. This compared with 712 companies incorporated in June with a total capital of $34,456,000. In July, 1917, 600 new companies were incorporated for a total capitalization of $34,296,000.

Figures were published in Wall Street yesterday showing that the par value of all stocks and bonds listed on the New York Stock Exchange on July 1 last, Liberty Loan issues excluded, aggregated in round numbers $31,363,000,000. Compared with the total of $27,512,000,000 four years ago at the beginning of the war, this represents an increase in listed securities of $3,851,000,000. The total of railroad stocks and bonds listed increased $548,000,000 from $14,639,000,000 on July 30, 1914, to $15,187,000,000 on July 1, 1918. The aggregate of $12,971,000,000 of miscellaneous stocks and bonds at the beginning of July showed an increase of $2,084,000,000 over four years ago. Foreign bonds listed increased $1,219,000,000 from $1,986,000,000 in 1914 to $3,205,000,000 in 1918.

Orange Crop Failures Tighten Credit

California bankers say they are carrying a heavy load just now. In the first place the best crop of all, the "tourist crop," is not up to expectation, and at the same time the orange crop is practically a failure. The orange crop also failed last year, and the result is that the banks have had to carry many of their customers for much longer periods than usual. This may eventually result in a diminished participation by California financial institutions in Treasury certificate issues.

Equipment Shares Stolid

Equipment shares made no response at all to the advices from Washington telling of the letting of new contracts for locomotives and freight cars for use in France by the War Department. It was announced that the Baldwin Locomotive Works had received orders for 510 locomotives, involving $25,000,000. Orders for 10,000 new freight cars are distributed as follows: American Car and Foundry Company, 2,400; Standard Steel Car Company, 1,900; Haskell & Barker Car Cor., 1,800; Pressed Steel Car Company, 1,500; Pullman Company, 1,500; Standard Steel Car Company, 400 tank cars; Liberty Car Company, 250, and the St. Louis Car Company, 250.

American Steel Foundries

Net Increases but Surplus Yields Less for Dividends

Net earnings of the American Steel Foundries in the six months ended June 30 last amounted to $4,187,455, according to the statement issued to the stockholders yesterday, compard with $3,948,197 in the corresponding period of 1917. The surplus available for dividends was $2,986,924, equivalent to $17.27 a share earned on the $17,184,000 capital stock for the six months period, compared with $21.44 a year ago.

The company made a reserve of $1,043,000 on the basis of the present law to cover income and excess profits taxes.

Road to Pay Bond Interest

Directors of the Denver & Rio Grande Railroad Company at a special meeting yesterday declared the regular semi-annual interest of 3½ per cent on the 7 per cent adjustment bonds, payable October 1. It was reported unofficially that the earnings of the company for the six months ended June 30 showed a balance of about $1,500,000 available for interest on the adjustment bonds.

No action was taken on the resignation of E. L. Brown as president and director and of B. F. Bush as director.

U. S. Paying Last Spanish War Bonds

Government 20-Year Obligations of $63,945,000 Reached Maturity Yesterday

An issue of $63,945,000 of United States 3 per cent Spanish War loan bonds, sold originally under the act of June 13, 1898, reached maturity yesterday and are being paid off by the Treasury Department.

The government recently sent out a circular to the effect that the coupon bonds of the issue could be presented for payment to any Federal Reserve bank or to the Treasury Department at Washington, while the registered bonds must be assigned to the Secretary of the Treasury for payment on account of the holder and forwarded to the division of loans and currency at Washington. The bonds ceased bearing interest yesterday.

Most of the bonds are in the hands of the public, as only $16,804,240 are held in trust by the Treasurer of the United States. Of this amount $14,687,040 is pledged against national bank circulation and $2,117,200 is used to secure deposits of public money.

These outstanding bonds are the remainder of the Spanish War loan of 1898, which aggregated in all $198,792,660. Of the original amount $132,449,900 has been refunded into 2 per cent consols of 1930.

Inasmuch as the Liberty Loan bonds do not bear the circulation privilege, banks which are using the 3s of 1898 are faced with the alternative of retiring the circulation for the equal amount of $14,687,040, or acquiring other bonds of old issues which bear the circulation privilege.

Va.-Carolina Prospers

War-time prosperity is reflected in the annual statement of the Virginia-Carolina Chemical Company, issued to the stockholders yesterday, showing net earnings of $10,193,267 for the year ended May 31, against $5,905,249 in the preceding twelve months.

After all charges, including the deduction of $1,600,976 for preferred stock dividends, the company earned a balance on the common stock of $6,783,692, equal to $24.24 a share on $27,984,400 stock outstanding, compared with $10.91 a share in the previous year.

The company set aside $2,998,552 for repairs and maintenance and built up a reserve of $1,012,001 for doubtful debts and cash discounts on accounts not yet settled. A total of $2,629,121 was paid and reserved for Federal taxes and depreciation.

The balance sheet as of May 31 shows cash of $6,776,286, against $4,236,124 a year ago.